

**FEDERAL COMMUNICATIONS COMMISSION  
BROADCAST LOCALISM HEARING  
MONTEREY, CALIFORNIA  
JULY 21, 2004**

**TESTIMONY OF**

**JOHN CONNOLLY**

I want to express my appreciation for the opportunity to address you this evening. In seeking broad public participation in the discussion surrounding this critical public policy issue, however belatedly, you are acknowledging the tremendous challenge faced in balancing the corporate hunger for deregulation against society's right to demand that the public airwaves be used to serve and protect our local communities, our artistic communities and the free flow of information that underpins our democracy. There can be no doubt that localism and the public interest are inextricably linked. In my role as President of the American Federation of Television and Radio Artists (AFTRA), I will attempt to adequately articulate the grave concerns our nearly 80,000 members who work in this industry – more than 40,000 in California as Newsmen, Disc Jockeys, Announcers, Sound Recording Artists and Performers - have about the continued erosion of a regulatory framework in the broadcast industry.

I submit that the central question to be answered in this process is whether market-driven forces can ever offer sufficient protection to the needs and interests of local communities and individual artists, or whether an unregulated marketplace will ultimately sacrifice the free exchange of ideas representing diverse points of view on the altar of the corporate bottom line.

AFTRA, along with CWA-TNG, NABET and WGA East, recently conducted a survey of a broad cross section of print and broadcast news professionals and the results were quite informative. Notwithstanding the seismic shift in their industry and the commensurate threat to their livelihood, this group of workers overwhelmingly expressed concern, not about their self-interest, but rather, about the loss of integrity and diversity in news coverage as a result of industry consolidation. Those surveyed overwhelmingly cited an increased emphasis on the bottom line, the declining quality of community coverage, too little focus on complex issues and the ever-growing influence of ratings or circulation on coverage and programming.

When asked to predict the likely impact of further deregulation, 80% noted that it would likely be negative:

- ❖ 86% cited less diversity of viewpoints in local news coverage
- ❖ 86% thought control of news and programming decisions would be concentrated in too few corporate hands
- ❖ 79% predicted growing corporate bias in the news, and
- ❖ 78% feared a general, continuing decline of news quality

75% of those surveyed have worked in the media field for more than 10 years and more than 50% have been affected directly by changes in ownership due to consolidation within the past five years.

One might conclude that these results are evidence of little more than fear of change among unions and their members, but I submit that there are a number of concrete decisions being made in corporate boardrooms throughout this nation that give credence to all of the concerns raised. I'd like to cite a few examples tonight.

**Voice Tracking—Local Radio From Far Away:** One of the most insidious byproducts of media consolidation is the practice of “voice-tracking” entire air shifts. Clear Channel, the largest group owner of radio stations in the United States, records hundreds of air shifts in remote locations, splices in music, adds generic recorded calls from listeners – often from other markets - and passes the result off as live, local programming. Up to 70% of Clear Channel’s radio broadcasts are voice-tracked, including many throughout California including some in major markets such as Los Angeles and San Francisco. In smaller markets, which arguably house even fewer outlets, voice-tracking is more prevalent. The end result – no local flavor, no local input, no local jobs, no local coverage and no local connection. It is axiomatic that these practices do not serve local communities.

**Central Casting—the Television Equivalent of Voice Tracking:** Sinclair Broadcasting Company recently announced a business plan that would eliminate local production of news and weather. As a cost cutting strategy in markets like Dayton, Ohio, and Flint, Michigan, Sinclair has already eliminated locally-produced weather reports. Now, instead of weather reports that originate locally, many Sinclair-owned stations will air weather reports from a weather center at corporate headquarters in Baltimore, Maryland. In the event of a weather emergency, local stations won’t have meteorologists on staff who are familiar with local geography or who can respond to inquiries that come into the station - leaving communities without any viable source of information or guidance. Apparently, central casting is soon to be implemented at Sinclair’s KOVR in Sacramento. One can only imagine how the emergency scenario plays out when local news is “covered” similarly.

As group owners like Clear Channel and Sinclair acquire additional stations and apply their “efficient” business models across the country, the damage could prove irreversible. As consolidation of media ownership increases, the local community’s access to diverse sources of news and information decreases. Where a community once received its news and public affairs programming from a number of different outlets, media conglomerates now seek ways to reuse, recycle and repurpose the same editorial content for broadcast on all of their radio and television stations, to print in their newspapers and to post on their websites. In certain cases, various outlets utilize virtually identical content, produced from one assignment desk, under the management of one general manager, one news or program director and with, essentially, one overall editorial viewpoint. For example, Telemundo and NBC now often work from the same assignment desk. They then share content with MS/NBC as well as Newsweek and the Wall Street Journal. Notwithstanding the fact that these reports may appear on a number of distinct stations, newspapers or websites, the content and editorial perspective is indistinct. The same outcome is triggered when multiple stations in a single market outsource their news functions to

the same entity, which provides generic content, delivered by a number of different individuals, on those multiple stations.

Since there are no hearings scheduled in the Pacific Northwest, it's worth mentioning that in 1998, Viacom dismantled news operations at KSTW, one of its Seattle stations, saying that "there is more than enough news programming" in the market. A little more than a year ago, Viacom announced that KSTW (a UPN affiliate) would begin airing newscasts produced by KIRO-TV, the CBS affiliate in Seattle. Although a separate company owns each station, the affiliated stations' networks are commonly owned. Rather than resume providing its own newscast that would be independent of and compete with other outlets in the market, Viacom has determined to maximize its profit margin by re-broadcasting content that is already available on Seattle airwaves.

It is also worth noting that to the extent public affairs programming is categorized by the FCC as "community-responsive", the complete dearth of such programming absent a regulatory requirement illustrates the failure of a voluntary system.

**Artistic Localism – How to Become a Rock Star:** Although the subject of testimony in San Antonio, AFTRA also is deeply concerned about the effect of media consolidation on the thousands of sound recording artists we represent. Consolidation has denied local artists and local music access to their local airwaves. Why?

Start with the premise that there are really no local airwaves left. Radio station groups have centralized their decision-making about playlists and which new songs to add to the playlist. These centralized playlists have reduced the local flavor and limited the diversity of music played on radio. Most of the "American" sounds we love actually started as regional sounds -- the Detroit sound, the Philly sound, the Seattle sound. With homogenized and nationalized decision making, local sounds no longer have an opportunity to reach even their own local airwaves let alone use local airplay to break out to a national audience.

Radio ownership consolidation has exacerbated problems with payola – payments from independent radio promoters to stations - as many group owners now establish exclusive arrangements with independent promoters. Thus, record companies and artists must pay the station's exclusive independent promoter, often located out of town, if they want to be considered for airplay.

In addition, the nature of the holdings of radio station owners has resulted in yet another type of payola. Because these vertically integrated corporations also hold interests in promotion companies and concert venues, artists are often pressured to appear at company venues or use the services of a company-owned concert promotion entities, not to mention perform free concerts for the radio station, if they want their recordings to get airplay. We urge the FCC to examine fully this issue and ensure that radio stations may not use the ability to receive airplay as leverage to force artists to use the station owner's other businesses.

Finally, rampant ownership consolidation of commercial radio has lead to a reduction in radio play for musical genres like classical, jazz, opera, bluegrass and other smaller formats.

Solutions – such as low power radio – must be sought if we are to preserve diverse options for artists and the public.

It is important to note that ongoing FCC initiatives, such as the examination of the transformation of the terrestrial broadcast from an analog to a digital service, simply cannot be considered in a vacuum, but rather must be viewed in the context of this well-documented environment of extreme consolidation. Localism, Competition and Diversity are essential policy goals that must be at the forefront of discourse surrounding any and all expanded rights sought by the broadcast industry. At a minimum, the FCC must address and reconcile the incumbent broadcasters' questionable records in fulfilling these traditional regulatory goals before granting further accommodations. Such fair standards can only be developed with active participation from all of the various stakeholder communities who have legitimate interests in the future of this valuable public resource. AFTRA remains committed to full participation in that discussion.